

EXHIBIT C

██████████ to me

11:28 AM

Hi Cyrus -

Thanks for chatting. Here's the background. Let me know if there's anything you'd like to use:

Attributed to a Tesla spokesperson (shared on Wed)

"This afternoon, we received a phone call from a friend of Mr Tripp telling us that Mr Tripp would be coming to the Gigafactory to "shoot the place up." Police have been notified and actions are being taken to enhance security at the Gigafactory."

On Tripps claims of being a whistleblower (on background):

After being caught hacking Tesla's confidential and trade secret information and transferring it to third parties, Mr. Tripp is now claiming he is a "whistleblower." He is nothing of the sort. He is someone who stole Tesla data through highly pernicious means and transferred that data to unknown amounts of third parties, all while making easily disprovable claims about the company in order to try to harm it.

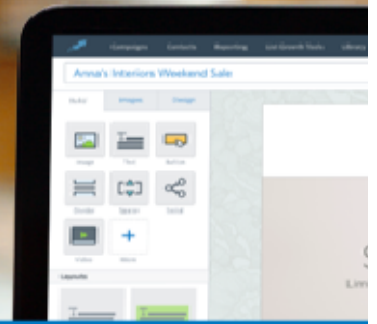
As for Mr. Tripp's false claims:

- Mr. Tripp grossly exaggerated the value and amount of scrap material at the Gigafactory. Relying on the internal data that he hacked from Tesla's manufacturing operations system, Tripp incorrectly stated that Tesla has generated nearly \$150 million in scrap at the Gigafactory in 2018. That number is wrong by more than a factor of two.
- Among other things, he included large quantities that were not scrap from 2018 at all, but that were instead items such as materials from last year that had already been included in Tesla's 2017 financials, or that were simply serial numbers assigned as part of routine system testing to components that were never even made.
- Mr. Tripp also admitted to Tesla's investigators that he does not actually know the value of the scrap that he assigned dollar values to. He just guessed.
- The scrap that Tripp claims is being stored unsafely could not possibly pose a safety risk. These pieces are kept in a temperature controlled room and are neither connected nor energized.
- No punctured cells were ever used in Model 3 vehicles in any way. In February 2018, a robot damaged some modules being produced at the Gigafactory, and a team was involved in identifying the scope of the damage. After conducting extensive testing, they threw out the punctured cells, confirmed the safety of the rest, and only then returned just those to the production line. If there was even a sliver of doubt about whether a cell could pose a safety concern, it was not used in any vehicle. Notably, there have been zero battery safety issues in any Model 3.
- With respect to Tripp's claiming that Tesla incorrectly reported the number of Model 3 vehicles produced at the end of Q1, literally thousands of people have ongoing access to the production numbers. It is updated in real-time on screens in the factory, plainly visible to anyone passing by. The claim that Tesla would report the wrong production number is ridiculous.
- On all of these issues, Tripp is either not telling the truth or he simply has no idea what he is talking about.

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GRAB SOME POPCORN —

Tesla fires back against alleged whistleblower: “He is nothing of the sort”

Martin Tripp, who has yet to secure a lawyer, tells Ars he stands by his comments.

CYRUS FARIVAR - 6/23/2018, 4:03 AM



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Tesla is now wholly refuting the claims made by an ex-employee and self-proclaimed whistleblower who previously leaked information to the press.

In a lengthy [statement](#) provided Friday to Ars via a Tesla spokesperson, the company flatly denied that Martin Tripp, [the man that the company sued earlier this week for alleged trade secrets violations](#), had any noble motivations.

"He is nothing of the sort," the company wrote. "He is someone who stole Tesla data through highly pernicious means and transferred that data to unknown amounts of third parties, all while making easily disprovable claims about the company in order to try to harm it."

In its lawsuit, Tesla accused Tripp of "hacking" company systems, which Tripp has categorically denied.

On Thursday, Tripp told Ars that he wanted to reveal internal waste and safety flaws in Tesla batteries that he claimed he observed while working as a technician at the company's Gigafactory in Sparks, Nevada.

Tesla v. Tripp

Tesla whistleblower tells SEC of alleged wrongdoing at Gigafactory

After subpoenaing Apple in trade secrets case, Tesla goes after Facebook

Tesla lawsuit target called "horrible human being" by CEO Elon Musk

Tesla sues employee alleged to have stolen gigabytes of data

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CEO Elon Musk has intimated on Twitter that Tripp is one of 40 other "bad apples" who have committed "sabotage" against the company in an apparent effort to thwart Tesla's ambitious promised ramp-up to producing 5000 Model 3s per week. Recently, and highly unusually, the company mounted a tent-like apparatus known as a Sprung structure that would house a new assembly line as part of its Fremont, California factory.

As of Friday evening, Tesla had not filed any new similar lawsuits against anyone else besides Tripp.

Tesla's Friday statement was previously provided to other media outlets "on background" on Thursday, but the company ultimately agreed to allow Ars to publish all or part of it on the record after a lengthy conversation with a spokesperson who insisted on not being named, citing company policy. (We have published the entire statement here.)

Tripp, who as of Friday evening had still not secured an attorney, declined to respond to Tesla's new lengthy assertions.

"Unfortunately I cannot comment at this time," he told Ars. "I'll stand by my previous comments."

"No idea what he is talking about"

The Friday statement went on to say that Tripp "grossly exaggerated" the level of waste that he observed while at the Gigafactory.

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Tesla sues employee alleged to have stolen gigabytes of data

"Relying on the internal data that he hacked from Tesla's manufacturing operations system, Tripp incorrectly stated that Tesla has generated nearly \$150 million in scrap at the Gigafactory in 2018," the company wrote. "That number is wrong by more than a factor of two."

In addition, "he included large quantities that were not scrap from 2018 at all, but that were instead items such as materials from last year that had already been included in Tesla's 2017 financials, or that were simply serial numbers assigned as part of routine system testing to components that were never even made."

Worse still, Tesla insisted, Tripp told company investigators "that he does not actually know the value of the scrap that he assigned dollar values to. He just guessed."

The statement also insists that "no punctured cells were ever used in Model 3 vehicles in any way."

Tesla did acknowledge that a "robot" had damaged "some modules" in February 2018 at the Sparks facility, but that ultimately those cells were tossed.

"If there was even a sliver of doubt about whether a cell could pose a safety concern, it was not used in any vehicle," Tesla wrote. "Notably, there have been zero battery safety issues in any Model 3."

Further, the company insisted that Tripp's allegations that Tesla has been reporting "the wrong production number" of Model 3s is "ridiculous."

"On all of these issues, Tripp is either not telling the truth or he simply has no idea what he is talking about," the statement concluded.

Tripp told Ars that he was served with the lawsuit at a Reno-area hotel room on Thursday.

Earlier, on Wednesday evening, Tesla told reporters (not including Ars) that it had received a phone call at the Gigafactory. In a statement issued at the time, Tesla said that it received a call at the Gigafactory from someone purporting to be a friend of Tripp's, who had told this unnamed friend that he, Tripp, intended to "shoot the place up," seemingly in anger over his recent dismissal from the company.

Tripp **categorically denied to Ars** that he made any such threat to anyone. He added that he cooperated with the Storey County Sheriff, which by Thursday morning said publicly that there was "no credible threat."

Tripp also told Ars that he believed Musk himself was behind the alleged shooting threat.

A spokesperson again asserted Friday that the company had indeed received such a call, but did not provide any further evidence as to what actions, if any, were taken by Tesla, to verify that a threat of violence had originated from Tripp.

This spokesperson denied that Musk had anything to do with the Wednesday evening call.

UPDATE 4:01pm ET: The spokesperson also **provided Ars with an email that she said was sent from the Gigafactory employee** who received the shooting threat call from someone who claimed to be a friend of Tripp's. The caller told the Tesla employee that he believed Tripp was "very well heavily armed." The caller did not provide his name to the company.

This same spokesperson also clarified that Musk's earlier tweet regarding "bad apples" was merely "referencing the probability of having a few bad actors at a company of 40,000 people. Remember, he's an engineer at heart :)"

However, Musk's tweet also **noted** "there is more," suggesting that the company believes there are more saboteurs afoot beyond Tripp.

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CYRUS FARIVAR

Cyrus is a Senior Tech Policy Reporter at Ars Technica, and is also a radio producer and author. His latest book, *Habeas Data*, about the legal cases over the last 50 years that have had an outsized impact on